

AMENDED IN SENATE MAY 4, 2004

**SENATE BILL**

**No. 1315**

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**Introduced by Senator Ortiz**

February 17, 2004

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An act to amend Section 2070 of the Insurance Code, relating to insurance policies.

LEGISLATIVE COUNSEL'S DIGEST

SB 1315, as amended, Ortiz. Insurance: insurance policies: standard forms.

Under existing law all fire insurance policies in California shall be on a standard form, and, except as provided shall not contain additions. Additionally, existing law provides that no part of the standard form shall be omitted except that any policy providing coverage against the peril of fire only, or in combination with coverage against other perils, need not comply with the provisions of the standard form of fire insurance policy or other specified provisions; provided, that coverage with respect to the peril of fire, when viewed in its entirety, is substantially equivalent to or more favorable to the insured than that contained in such standard form fire insurance policy.

This bill would provide that no policy containing changes to the standard form may be issued in this state unless a copy of the form is filed with the commissioner. *The bill would require policies that are currently being issued in this state to be filed with the commission for review within 90 days of the effective date of these provisions.* The bill would authorize the commissioner to disapprove a policy form if specified conditions are met *and would provide procedures for the disapproval or revocation of approval of the policy form.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2070 of the Insurance Code is amended  
2 to read:

3 2070. (a) All fire policies on subject matter in California  
4 shall be on the standard form, and, except as provided by this  
5 article shall not contain additions thereto. No part of the standard  
6 form shall be omitted therefrom except that any policy providing  
7 coverage against the peril of fire only, or in combination with  
8 coverage against other perils, need not comply with the provisions  
9 of the standard form of fire insurance policy or Section 2080;  
10 provided, that coverage with respect to the peril of fire, when  
11 viewed in its entirety, is substantially equivalent to or more  
12 favorable to the insured than that contained in such standard form  
13 fire insurance policy.

14 (b) No policy containing changes to the standard form as  
15 provided for in subdivision (a) may be issued in this state unless  
16 a copy of the form is filed with the commissioner. ~~The~~

17 *(c) Policies that are currently being issued in this state shall be*  
18 *filed with the commissioner for review within 90 days after the*  
19 *effective date of this section. Insurers may continue to issue these*  
20 *policies during the review period.*

21 *(d) Policy forms that are to be issued separately from, but that*  
22 *will supplement or “wrap around” the standard form, shall also*  
23 *be filed with the commissioner for review and shall be subject to*  
24 *the provisions of this section.*

25 (e) The commissioner may disapprove a policy form if any of  
26 the following apply:

27 (1) It violates or does not comply with this code, or any ~~rule~~  
28 *regulation* relating to this code adopted by the commissioner, or  
29 is otherwise contrary to law.

30 (2) It contains provisions or has any titles or headings that are  
31 unjust, encourage misinterpretation, are deceptive, or ~~are violative~~  
32 *of violate* public policy.

33 (3) It is likely to contribute to a significant health risk or to a  
34 property being in an uninhabitable condition.

1   ~~The commissioner's order disapproving any form or certificate,~~  
2   ~~or any notice of the commissioner's intention to withdraw a~~  
3   ~~previous approval, shall state the grounds for the disapproval in~~  
4   ~~enough detail to reasonably inform the filer of the grounds.~~

5   ~~(e)–~~

6   (f) *If the commissioner finds that the contents of the policy form*  
7   *fall within subdivision (e), he or she, after not less than 10 days*  
8   *notice to the filer and a hearing, shall issue a written order*  
9   *disapproving the policy form and specifying in what respect the*  
10   *contents of the policy form fall within subdivision (e).*

11   (g) *Notwithstanding the provisions of this section, if the*  
12   *commissioner fails to act within 90 days of the submission of a*  
13   *proposed policy form, the policy form shall be deemed approved.*

14   (h) *For good cause, and after a hearing, upon no less than 10*  
15   *days notice to the filer, the commissioner may issue an order*  
16   *revoking approval of any policy form upon his or her finding that*  
17   *the contents of the policy form fall within subdivision (e).*

18   (i) The commissioner may adopt regulations necessary to  
19   implement this section.

